

Appl. No. 09/516,209
Amdt. dated August 4, 2003
Reply to Office Action of May 7, 2003

PATENT

REMARKS/ARGUMENTS

Applicants notes with appreciation the removal of the finality of the previous office action. Since a notice of appeal was filed based upon the previous office action, the Applicants presume the present Office Action pulls the case down from appeal to reopen prosecution.

1. Amendments

The specification is amended to correct the page numbering and several oversights that are grammatical, clerical or typographical in nature. Additionally, the claims are modified in the amendment. Applicant respectfully requests reconsideration of this application as amended. Claims 14 and 39 have been amended. No claims have been cancelled. No new claims have been added. Therefore, claims 14-18, 24-27, 29-33 and 35-46 are present for examination. No new matter is added by these amendments.

2. 35 U.S.C. §112 Rejection

Claims 14-15, 18, and 39-43 are rejected under 35 U.S.C. §112. Claim 14 is amended to make clear the well-known meaning of the acronym "IOU." Applicant believes "system" is not vague or indefinite in claims 39-41, but in the interest of furthering prosecution, confirms the Examiner's presumption that these claims are drawn to a type of apparatus.

3. 35 U.S.C. §101 Rejection

The Examiner has rejected claims 14-18, 24-27, 29-33, 35-37 and 44-46 under 35 U.S.C. §101 as non-statutory. The preamble of each of the independent claims 14, 24, 29, and 35 state a utility for the claim, to wit, claim 14 is a method for "*facilitating an electronic purchase*," claim 24 is a method for "*transferring funds from a payor to a payee*," claim 29 is a method for "*transferring funds from a user account to a vendor account*," and claim 35 a method for "*authorizing an electronic purchase*." These claims are not drawn to abstract ideas, but to tangible and concrete ideas related to the transfer of money--a cornerstone of a capitalistic

Appl. No. 09/516,209
Amdt. dated August 4, 2003
Reply to Office Action of May 7, 2003

PATENT

economy. Clearly, processes related to the transfer of money are within the realm of the technological arts and produce a tangible result.

MPEP §2106(II)(A) requires Office personnel to put forth a *prima facie* case that "the claimed invention as a whole is directed to solely an abstract idea or to a manipulation of abstract ideas or does not produce a useful result." Further, this section requires the Office personnel to "expressly state how the language of the claims has been interpreted to support the rejection." Should this rejection be maintained, the Applicants respectfully request a *prima facie* case be put forth with express statements on how the claim language is interpreted.

4. **§103 Rejection of Claims 14-17 Over Kolling et al. in View of Walker et al.**

The Office Action has rejected claims 14-17 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,920,847 Kolling et al. in view of U.S. Patent No. 6,193,155 to Walker et al. Applicants believe a *prima facie* case of obviousness has not been properly set forth in the final Office Action with regard to this rejection. Office personnel are charged with putting forth a *prima facie* showing of obviousness. The basic test is excerpted below:

"To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations." See MPEP §2143, Original Eighth Edition, August, 2001, Latest Revision February 2003.

Applicants believe the rejection has flaws with all three prongs of the above test for establishing a *prima facie* case of obviousness as outlined below.

Appl. No. 09/516,209
Amdt. dated August 4, 2003
Reply to Office Action of May 7, 2003

PATENT

Teachings Missing from Cited References

With regard to the third prong of the test, Applicants believe the cited sections of Kolling et al. ("Kolling") and the cited sections of Walker et al. ("Walker") do not, either alone or in combination, teach or suggest the invention in claim 14. More specifically, neither Kolling nor Walker teach or suggest: (1) that the "digital IOU is comprised of the purchase price"; or (2) "electronically sending a digital IOU to the vendor." For at least these reasons, Applicants respectfully request for reconsideration of the rejection to the claims.

Kolling generally relates to an automated bill payment system where specified communication occurs between a biller 14, a consumer 12, various banks 16, 128, 18, and a payment network 102. Walker teaches issuance of physical gift certificates that are not paid by the giver in advance, but paid after redemption. The gift certificate is produced and presumably physically sent to the recipient. During redemption, the giver's credit card is charged.

First Missing Limitation: Digital IOU Includes a Purchase Price

Claim 14 requires that the digital IOU include a purchase price. The digital IOU is redeemable by the vendor for that purchase price. In one embodiment, use of a digital IOU allows the merchant to have a credit that can be later redeemed with the funds transfer system. For example, the vendor could be provided a digital IOU once the purchase is approved. Later, the vendor can present the digital IOU for payment from the funds transfer system after a delay that could result from, for example, a backorder on the goods ordered.

The Office Action cites Walker for the proposition of the digital IOU including the purchase price. Walker includes a payable amount in a value remaining field 528 on the face of the gift certificate. This value remaining field 528 is not a purchase amount as required by the claim. Walker gives examples of purchase amounts in col. 8, lines 7-14. In one example of Walker, the value remaining field 528 is \$50 and the purchase price is \$47.95, which leaves a remaining value after the transaction of \$2.05. If the gift certificate of Walker is used to teach a digital IOU, the value remaining field 528 cannot be used to teach the limitation of the digital IOU including the purchase price.

Appl. No. 09/516,209
Amdt. dated August 4, 2003
Reply to Office Action of May 7, 2003

PATENT

Second Missing Limitation: Electronic Sending of Digital IOU to Vendor

Claim 14 also includes a limitation requiring "electronically sending a digital IOU to the vendor." In one embodiment of this invention, the charge is validated before sending the vendor the digital IOU. Once the vendor has performed the service or sent the goods, the digital IOU can be presented for redemption. The amended claim 14 provides that the digital IOU is sent electronically.

Walker is also cited for the proposition of sending the digital IOU to the vendor. The gift certificate in Walker is physically sent to the purchaser and not the vendor. See Walker, col. 10, lines 64-67. The purchaser would then use the gift certificate with a vendor as part of the purchase. As a further distinguishing point, Walker only contemplates that the gift certificate be embodied in a physical form such as a paper certificate, a stored value card, or a magnetic stripe card. See Id. col. 9, lines 32-37. Clearly, a physical gift certificate cannot be electronically sent to anyone as required by the amended claim.

Motivation to Combine Kolling and Walker

The first prong of the test requires, a suggestion or motivation to combine references to avoid hindsight reconstruction of the claimed invention based upon the information disclosed in the present application. The last paragraph in section 7 of the Office Action appears to address the motivation to combine Kolling et al. and Walker et al., but the Applicants cannot discern the nature of this argument. The argument seems to be a type of easy to invent argument because one could modify Kolling et al. to include Walker et al. This is not an appropriate motivation to combine these references. The only way this combination of Kolling et al. and Walker et al. makes any sense is to use the claims of the Applicants as a template, which is impermissible hindsight reconstruction.

Reasonable Likelihood of Success in Combining Kolling et al. and Walker et al.

The second prong of the test requires a reasonable likelihood of success. Combining the bill payment in the cited sections of Kolling with the money order sections of Walker is confusing to explain, at best, and requires major modifications to each reference. Such

Appl. No. 09/516,209
Amdt. dated August 4, 2003
Reply to Office Action of May 7, 2003

PATENT

major modifications would have little likelihood of success. Accordingly, these references are not properly combinable.

5. §103 Rejection of Claims 24-27 and 39-44 Over Kolling in View of Rose et al.

The Office Action has rejected claims 24-27 and 39-44 under 35 U.S.C. §103(a) as being unpatentable over Kolling in view of U.S. Patent No. 5,757,917 to Rose et al. Applicants believe a *prima facie* case of obviousness has not been properly set forth in the final Office Action with regard to this rejection. Office personnel are charged with putting forth a *prima facie* showing of obviousness. The basic test is excerpted above. Applicants believe the rejection has flaws with all three prongs of the above test for establishing a *prima facie* case of obviousness as outlined below.

Teachings Missing from Cited References

With regard to the third prong of the test, Applicants believe Kolling and the cited sections of Rose et al. ("Rose") do not, either alone or in combination, teach or suggest the invention in claims 24 and 39. More specifically, neither Kolling nor Walker teach or suggest: "notifying the payor that the payment information is not valid" as required by claims 24 and 39. For at least this reasons, Applicants respectfully request for reconsideration of the rejection to the claims.

Kolling generally relates to an automated bill payment system where specified communication occurs between a biller 14, a consumer 12, various banks 16, 128, 18, and a payment network 102. During the clearing process, the biller 14 could receive a NSF notice 46 from the consumer's bank. Rose teaches money transfers where it is determined if the seller is a qualified by checking a database file 91. After the seller is qualified, a message is generated to ask the buyer 20 to authorize the payment to the seller. See Rose, col. 8, lines 27-38.

Missing Limitation: Notifying the Payor of a Failed Validation

Claims 24 and 39 require notifying the payor that the payment information failed validation. Kolling is cited for this proposition, but this reference notifies the payee of a non-

Appl. No. 09/516,209
Amtd. dated August 4, 2003
Reply to Office Action of May 7, 2003

PATENT

sufficient funds (NSF) in a NSF notice 46, which is in the clearing phase of the transaction and not the authorizing phase. By notifying the payor as claimed, some embodiments can give the payor an opportunity to change the payment mechanism to avoid failure of the transaction, for example. Since Kolling only notifies the payee in the clearing phase of the transaction. As those skilled in the art appreciate, once a transaction is in the clearing phase, fees are typically charged to the payor when the transaction fails because of the payment method.

Motivation to Combine Kolling and Rose

The first prong of the test requires, a suggestion or motivation to combine references to avoid hindsight reconstruction of the claimed invention based upon the information disclosed in the present application. The last paragraph in section 8 of the Office Action appears to address the motivation to combine Kolling et al. and Rose et al., but the Applicants believe this is not proper motivation. Rose is cited for providing confirmation at the funds transfer system, but the anti-fraud motivation cited is for another teaching of Rose. More specifically, a payment-query message 150 is sent where the payor can indicate the payment is fraudulent. The only way this combination of Kolling et al. and Rose et al. makes any sense is to use the claims of the Applicants as a template, which is impermissible hindsight reconstruction. Applicants request a motivation to combine the particular feature plucked from Rose and added to the Kolling et al. reference.

Reasonable Likelihood of Success in Combining Kolling et al. and Walker et al.

The second prong of the test requires a reasonable likelihood of success. Combining the bill payment in the cited sections of Kolling with the money transfer confirmation sections of Rose is confusing to explain, at best, and requires major modifications to each reference. Such major modifications would have little likelihood of success. Accordingly, these references are not properly combinable.

Appl. No. 09/516,209
Amdt. dated August 4, 2003
Reply to Office Action of May 7, 2003

PATENT

6. §103 Rejection of Claims 29-37 Over Kolling in View of Rose & Rowney et al.

The Office Action has rejected claims 29-37 under 35 U.S.C. §103(a) as being unpatentable over Kolling in view of Rose and U.S. Patent No. 5,987,140 to Rowney et al. Applicants believe a *prima facie* case of obviousness has not been properly set forth in the final Office Action with regard to this rejection. Office personnel are charged with putting forth a *prima facie* showing of obviousness. The basic test is excerpted above. Applicants believe the rejection has flaws with at least two of the three prongs of the above test for establishing a *prima facie* case of obviousness as outlined below.

Motivation to Combine Kolling with Rose & Rowney

The first prong of the test requires, a suggestion or motivation to combine references to avoid hindsight reconstruction of the claimed invention based upon the information disclosed in the present application. The last two paragraphs in section 10 of the Office Action appears to address the motivation to combine Kolling et al. with Rose et al. and Rowney et al., but the Applicants believe this is not proper motivation. The argument against a combination of Kolling et al. with Rose is presented above and not repeated here. With regard to a combination with Rowney et al., the Office Action cites col. 12, lines 5-6 of Rowney et al. for the motivation to combine these references. This passage relates to assessing risk that an account holder is above a credit limit, but Rowney et al. is used to add a checkout feature to Kolling et al. Clearly, this is not a proper motivation to make the combination suggested in the Office Action. The only way this combination of Kolling et al. with Rose et al. and Rowney et al. makes any sense is to use the claims of the Applicants as a template, which is impermissible hindsight reconstruction. Applicants request a motivation to combine the particular feature plucked from Rowney et al. and added to the Kolling et al. reference.

Reasonable Likelihood of Success in Combining Kolling with Rose & Rowney

The second prong of the test requires a reasonable likelihood of success. Combining the bill payment in the cited sections of Kolling et al. with the money transfer

Appl. No. 09/516,209
Amdt. dated August 4, 2003
Reply to Office Action of May 7, 2003

PATENT

confirmation sections of Rose et al. and the checkout sections of Rowney et al. is confusing to explain, at best, and requires major modifications to each reference. Such major modifications would have little likelihood of success. Accordingly, these references are not properly combinable.

7. §103 Rejection of Claim 46 Over Kolling in View of Rose, Rowney et al. & Krishan et al.

The Office Action has rejected claim 46 under 35 U.S.C. §103(a) as being unpatentable over Kolling in view of Rose, U.S. Patent No. 5,987,140 to Rowney et al. and U.S. Patent No. 6,442,529 to Krishan et al. Applicants believe a *prima facie* case of obviousness has not been properly set forth in the final Office Action with regard to this rejection. Office personnel are charged with putting forth a *prima facie* showing of obviousness. The basic test is excerpted above. Applicants believe the rejection has flaws with at least one prong of the above test for establishing a *prima facie* case of obviousness as outlined below.

Motivation to Combine Kolling with Rose, Rowney et al. and Krishan et al.

The first prong of the test requires, a suggestion or motivation to combine references to avoid hindsight reconstruction of the claimed invention based upon the information disclosed in the present application. The last paragraph in section 12 of the Office Action appears to address the motivation to combine Kolling et al. with Krishnan et al., but the Applicants believe this is not proper motivation. The argument against a combination of Kolling et al. with Rose and Rowney et al. are presented above and not repeated here. With regard to a combination with Krishan et al., the Office Action cites col. 2, lines 40-42 of Krishnan et al. for the motivation to combine these references, but reading further to col. 2, lines 43-46 reveals an express teaching away. Krishan et al. says use of pop-up windows have been met with hostility. Given this, why would one of ordinary skill in the art make this combination? Clearly, this is not a proper motivation to make the combination suggested in the Office Action. The only way this combination of Kolling et al. with Rose et al., Rowney et al. and Krishan et al makes any sense is to use the claims of the Applicants as a template, which is impermissible hindsight reconstruction.

Appl. No. 09/516,209
Amdt. dated August 4, 2003
Reply to Office Action of May 7, 2003

PATENT

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is urged. Reconsideration of the rejections is respectfully requested. If the Examiner believes a telephone conference would aid in the prosecution of this case in any way, please call the undersigned at 303-571-4000.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

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